

## **TOSELAND PARISH COUNCIL RISK MANAGEMENT STRATEGY -**

This Risk Management Strategy was discussed and adopted by the Council at its meeting held on November 20, 2002.

### **1. The Identification and Management of Risk**

- 1.1 All local government including Parish Councils are now required to assess and manage risk. The function of risk management is to ensure that the objective of providing high quality services to the public is achieved. The purpose of risk assessment is to make sure that adequate safeguards are in place to protect the assets, reputation, and legality of the Parish Council and minimise the possibility of misuse of public funds or Parish Council powers.
- 1.2 Part of the annual internal and external auditing process now requires clear and documented evidence of the Parish Council's engagement with the assessment and control of risk. What are mainly needed, are explicit statements and minuted decisions relating to risk, plus the adoption of the practice of making a formal budget and relating expenditure through the year to the forecast of this budget, and a formal contract of employment for the Clerk/RFO.
- 1.3 Each activity planned by the Council needs to be assessed in terms of potential risk, including health and safety issues. There are, broadly three main types of decision that the Council may take in relation to managing risk. These are:
  - A) Insurance cover.
  - B) Working with others to help manage risk.
  - C) Self-management of risk.
- 1.4 These are described briefly below, and the questionnaire attached to this document offers a, non-exhaustive, means for the Council to begin to identify risk management measures.

### **2. Risk Identification and Controls: A) Insurance cover:**

Assets owned by the Council need to be protected by insurance. Evidence of this is on the schedule of insurance that for a Council of our size suffices for a register of assets. The data is iterated publicly on the annual Receipts and Payments Summary posted at the year-end on the Parish Noticeboard. Insurance also needs to cover assets, damage to third party property or persons, loss of cash through dishonesty or fraud (fidelity guarantee) and public liability. Evidence of this is in the schedule of insurance. Each year it will be necessary to review the insurable risks and adequacy of the insurance cover, and to consider the robustness of the insurance provider.

### **3. Risk Identification and Controls: B) Working with others to help manage risk:**

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Toseland Parish Council is not a supplier or provider of contracted services to the village. Nevertheless it needs to report regularly on the services provided to it by Cambridgeshire County Council and Huntingdon District Council. Evidence that it does so has and will continue to be documented in the Parish Council and Parish Meeting Minutes. Its main concern under this heading however will be with arrangements to deter and detect fraud and/or corruption. Adopting the Model Code of Conduct commits Council members to declare their interests and any gifts given to them in their official capacities, which are recorded in a register held by Huntingdonshire District Council at Pathfinder House. Other safeguards include regular bank reconciliations (once a year is probably sufficient for a Council with such a low turn-over), and explicit documentation in the minutes of any payments made from public funds, including S.137 payments. Currently such documentation is done in the minutes, cash-book and the notes to the Receipts and Payments Summary re: S137 payments. The Chair shall also sign and date invoices at the time they are paid.

#### **4. Risk Identification and Controls: C) Self-management of risk:**

Self-management of risk includes keeping proper financial records in accordance with statutory requirements and proper arrangements for the approval of expenditure; ensuring all business activities are within the legal powers of the council; ensuring that all requirements are met under Customs and Excise regulations, ie. regular, VAT returns; ensuring the proper use of funds under section 137; proper, timely and accurate recording of council business in the minutes; responding to electors wishing to exercise their rights of inspection; meeting the laid down timetable when responding to a consultation invitation; proper document control; updating register of interests when necessary. Evidence for all of these controls is and will continue to be given in the minutes of Parish Council meetings and documentation of correspondence on planning applications, as well as through the evidence of the cash book and audited accounts. A formal budget statement needs to be produced, discussed and voted on as part of the process of deciding the precept for the following year. At each meeting expenditure needs to be explicitly tested against the budget. The Clerk, even while maintaining voluntary and unpaid status, needs to have a formal, annually renewable contract of employment, setting out the duties and responsibilities of Clerk/RFO.

Signed.....ANN TOSSELL  
Chair of Toseland Parish Council

Date.....20 NOVEMBER 200

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**RISK ASSESSMENT QUESTIONNAIRE**

**A) Insurance cover: adequacy of cover and robustness of provider**

*What is covered?*

Assets

Fidelity

Third Party

Public liability

Are there any other insurable risks foreseeable for the next year for which extra cover will be required?

The insurer: Allianz Cornhill Insurance.

*Is this company perceived as reliable?*

*Does it provide value for money?*

*Should an alternative provider be investigated?*

**B) Working with others to help manage risk:**

*Do we do these things?*

Documentation in minutes (TPC & TPM) of services provided to by CCC & HDC.

Adoption of Financial Regulations

Adoption of Standing Orders

Arrangements to deter and detect fraud and/or corruption:

Model Code of Conduct

Declarations of interests/gifts supplied to HDC

Regular bank reconciliations (once a year)

Explicit documentation in the minutes, cash book and Receipts and Payments

Summary of any payments made from public funds, including S.137 payments

Chair to sign and date invoices at the time they are paid

Responding to suggestions made by Internal Auditor

Responding to comments (if any) made by the External Auditor

*Are there any other actions we should take?*

**C) Self-management of risk:**

*Is and evidence for the following explicit in minutes, and financial and planning records?*

Proper financial records

Proper arrangements for the approval of expenditure

Business activities within the legal powers of the council

Regular VAT returns

Proper use of funds under section 137

Proper, timely and accurate recording of council business in the minutes

Responding to electors wishing to exercise their rights of inspection

Meeting the laid down timetable when responding to a consultation invitation

Proper document control

Updating register of interests when necessary

Formal budget statements, post-hoc for 2002-3 but timely for 2003-4

Expenditure in future needs to be explicitly tested against the budget.

Formal contract of employment for Clerk/RFO.

Minuted discussion of health and safety issues where appropriate

Adoption of Freedom of Information Act Model Publication Scheme.

*Are there any other areas of risk that need further management and control?*